

Getting from Diversity to Inclusion in Economics

Remarks by

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AS PREPARED FOR DELIVERY

Introduction

In 1997 I was invited to give my first big presentation on the economy to the San Francisco Federal Reserve Board of Directors. It was a great success and many people came up to congratulate me afterwards. One of the most senior leaders at the bank appeared, slapped

me on the back (spilling my coffee everywhere), and said, “That was amazing—I didn’t expect that.” He followed with, “You’re such a little tiny woman, who knew?” I don’t think he recognized what he was implying, but I did, and others did too, but in keeping with the mood of day, we laughed it off.

In the two decades since that event, I’ve given lots more presentations in many more venues, but the comments are often the same: “Wow, you surprised me.”

But I am no longer just laughing it off; instead, I’m asking, why? I’m an established economist, running a sizable research department, so why the amazement when I do or say something good. Apparently, it’s because I’m female, and relatively small.

Before I go any further, I should note that these comments are mine alone and do not necessarily reflect the views of the San Francisco Fed or the Federal Reserve System.

Today, I’m going to talk about how we need a new approach to the diversity crisis facing economics. If we’re going to encourage people to study and build careers in the field that we all love, we need to go beyond building the pipeline and fundamentally change the culture. I’m going to share with you why that’s the right way forward and discuss some of the work we’ve been doing at the San Francisco Fed, and across the entire Federal Reserve system, to shift the narrative, and the numbers, around diversity.

My sincere hope is that together, we can change our profession, so that when a woman, or anyone who looks different, stands up to speak, people expect it to be good and appreciate it when it’s great.

The data

In some ways it's not surprising that people are shocked when they see a female economist present. For too long the number of women and minorities in economics has been stagnant.

In 1997 when I gave that first presentation, 28% of doctorate degrees were awarded to women, and 7% to minorities. That number has barely shifted, and more recently 31% go to women and 8% to minorities. The lack of progress is even more disappointing when we compare economics with other disciplines: The number of doctorate degrees awarded to women in STEM has increased from 42% in 1997 to more than 55% according to the latest data.¹

I'm sure that many of you in this room are familiar with the research produced last year by Alice H. Wu, a woman studying at University of California, Berkeley.² Her senior thesis, "Gender Stereotyping in Academia: Evidence from Economics Job Market Rumors Forum," documented the different language used to describe male and female economists on their message boards. Vocabulary used to describe men was related to intellect and career paths; vocabulary used to describe women, on the other hand, referred to appearance and was sexualized and objectifying.

The importance of inclusion

I was deeply disturbed when the research was released—there is a moment of shock when you read it. I took the women in my department out to lunch to discuss their reactions and

¹ Bayer and Rouse (2016).

² Wu (2017).

what we needed to do to keep women interested in economics despite such egregious revelations.

Their responses surprised me. What they described was not the overt sexism or extreme behavior that can be found on econjobrumors,³ but more a death by a thousand cuts: unfounded assumptions about career interests, unsolicited comments about appearance and behavior, and a general indifference towards whether they pursued economics or not.

To give an example, one colleague told me that on her first day on campus at an Ivy League college, the computer science department had a huge banner inviting women to learn more about what they had to offer. The other STEM subjects all had women's resource groups and professional organizations, but the economics department had nothing. In fact, when she went to the economics department to inquire, they gave her a list of classes and told her to come back when she was done—not the enthusiastic welcome she was hoping for.

This is hugely concerning because the bottom line is, we're all competing for the same minds. If engineering and IT departments are putting out the welcome mat and we're not, that's going to mean less diverse economists moving into the job market.

But when it comes to conversations about diversity in economics, the welcome mat too often doesn't seem to have a role. What I hear is a paradigm that says our culture is fine, we just need to get more women into the pipeline, and eventually we'll get a more diverse profession overall. This is despite the fact that we've been trying this approach for decades and we're not moving the needle. The data are screaming that what we're doing isn't working, and yet we plow on regardless!

³ <https://www.econjobrumors.com/>

A culture of antagonism

From my own experience, I know how constricting the culture can be. For years I was told to look and behave a certain way, so that I fit the norm of what it means to be an economist: “Tone down your enthusiasm, be more aggressive in your comments, be the first to interrupt when someone else is speaking!”

Recently, I read an interview with the Princeton economist, Dr. Anne Case, and she said that, unlike economics, in other disciplines “the tenor of the seminars tends to be a lot less about scoring points and ... trying to nail the speaker to the blackboard.”⁴ Her words really struck a chord because, when I compare going to an economics seminar with, for example, going to a computer science seminar (which I’ve done), one is super aggressive, while the other is super supportive. Which do you think does a better job at advancing science?

There are fixes for this. For example, at the San Francisco Fed, we’ve instituted a five-minute rule so that, when someone’s presenting, no one’s allowed to interrupt them for the first five minutes. My colleagues at the Board of Governors hired an outside consultancy to teach them how to run “safer” meetings and policy discussions so that all voices can be heard. These sound like small things, but they make a big difference because they signal that we’re here to create rich debate, rather than torpedo each other’s ideas.

We’ve set up mentoring programs, we’ve published newsletters, and we’ve condemned bad behavior, and yet, women and minorities are not choosing to pursue careers in economics. I believe it’s because we’re asking people to fit a mold that they’re not comfortable with, rather than creating a culture where they feel welcome. We’re missing the “inclusion” part of

⁴ Clement (2017).

diversity and inclusion. We're not putting out the welcome mat and truly inviting them into our home.

Rewriting the rules

So what else can we do to change the culture, and the numbers, when it comes to economics?

I hesitate to hold up tech companies and other university departments as role models when it comes to diversity and inclusion, because books like *Brotopia*,⁵ activists like Ellen Pao, and the glaring pay gap in academia⁶ all tell us that there are serious problems in Silicon Valley and research institutions alike. But because they're also facing a lack of diversity in their ranks, there are things we can learn from their efforts to create change. The welcome groups on campus, the social media campaigns like #IAmAnEngineer, and the boot camps for diverse coders are starting to chip away at the diversity problem in STEM.

What I find promising is the holistic approach these organizations are taking. They don't just focus on one aspect of the issue; they use marketing, networking groups, and organized meet and greets to telegraph their interest and reinforce the commitment to recruit and retain diverse talent.

⁵ Chang (2018).

⁶ Hatch (2017).

Cultural change at the San Francisco Fed

A few years ago we set about investigating why female candidates for research assistant were, year after year, turning down our job offers at the San Francisco Fed. We were faced with the uncomfortable reality that their impression of the department was one of an old boys' club.

We decided to roll out a campaign to better inform faculty and students about the inclusive work culture and diverse opportunities we offer.⁷ We sent letters to hundreds of colleges and universities, letting them know we were committed to increasing the female and minority representation in our department. And then I called every person we made an offer to and talked to them about the job. In short, we put out the welcome mat in a big way. At the end of the hiring cycle, the gender balance of male to female research assistants went from 80–20 to 50–50.

Truth be told, it wasn't easy. When we committed to increasing diversity, we got the usual objections: Standards will fall, targets are constraining, I know a good research assistant when I see one, etc., etc. Stripping these objections away and changing how we hired forced us to take a long, hard look at our internal culture and processes.

Of course recruitment is just half the battle. It's equally important to keep the conversation going. Being vocal about diversity and inclusion in forums like this and on social media sends a message, internally and externally, that these issues are important to the San Francisco Fed and the Federal Reserve System as a whole. Making sure I listen to what my

⁷ Daly (2016).

staff are saying in the wake of Wu's research, or the explosion of the #MeToo movement, helps us fine-tune our approach to the culture we're creating.

Finally, the whole team needs to be on board and understand the importance of change. A junior male colleague recently pointed out to me that visiting scholars are almost always escorted to our floor by a female staff person. He thought it was odd and demeaning, so we created a schedule to make sure that jobs like picking someone up from the lobby didn't automatically fall to the junior females. I was encouraged when he raised the issue because it signaled that the mind-set of inclusion is starting to spread beyond the senior leaders.

When I think back to that first presentation I gave to the San Francisco Fed Board of Directors, more than 20 years ago, the really troubling thing is that I don't remember how well I did or the praise I got from colleagues. I remember the comment about my gender, and I remember the fact that I didn't question it. More importantly, I remember that none of the senior colleagues standing next to me questioned it either.

When it comes to creating cultural change, and preventing death by a thousand cuts, we can't ask our junior women to shoulder the burden, but it's absolutely something we can ask of ourselves and our institutions. It's incumbent on all of us to use our voices to create both a more diverse and a more inclusive profession.

Conclusion

To sum up, we know there has been egregious, damaging behavior that needs to be taken very seriously. But if we want economics to be more diverse, we need to put our focus on the inclusion piece, too. We need to imagine what cultural change looks like in our

organizations, put the wheels in motion, and then communicate those changes to the outside world. That's how we'll change the story, and the statistics, about the career that we all love.

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